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22 April 1953

MEMORANDUM FOR: Deputy Director (Intelligence)

SUBJECT : Request from Senate Permanent Investigating
Subcommittee

1. As you know, the McCarthy Subcommittee is looking into matters of East-West trade, particularly in connection with the Greek shipowners and the like, and it was agreed on all sides that any requests for information would be channelled through EDAC.

2. Mr. Francis Flanagan, Chief Counsel to the Investigating Subcommittee, called me on 21 April and stated that CIA had a representative sitting on the Cargo Transport Controls Working Group of EDAC. He stated that he was attempting to talk with each of the members of that working group to seek their individual opinion as to whether it would be to the net advantage of the United States to take some affirmative step (law, regulation, or proclamation) which would prohibit American subsidy to any line whose ships engaged in any trade with Communist China or in so-called inter-bloc trade. This would also prohibit the use of such ships for any United States Government cargo, and might go as far as any American cargo.

3. I talked with Mr. Kenneth Hansen, Director of EDAC, and he stated that Mr. Flanagan had requested two things of him: (a) the records of the Cargo Transport Controls Working Group, and (b) the individual opinions on the above question of the individual members of the Working Group.

4. Mr. Hansen informed Mr. Flanagan that the individual opinions of the Working Group members were not the final answer, and that if the Committee desired them, Mr. Flanagan would have to approach the individual members through the heads of the departments concerned. He furnished the names of the individual members to Mr. Flanagan with the exception of the name of the CIA member, which he informed Mr. Flanagan he could not release. This led to Flanagan's call to me.

5. It is the opinion of Governor Stassen, DMS, that he will not disclose the Committee records and that he would prefer that

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the individual members did not give their opinions. In any event, before final action in this regard is taken, Governor Stassen would like to be consulted in order to secure an over-all Government position.

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WALTER L. PFORZHEIMER
Legislative Counsel

5 May 1953

On instructions from Mr. Kirkpatrick, who has discussed the matter with the Director, I have informed Mr. Flanagan that any person whom we have sitting on this working group is there to supply facts and information and not to engage in policy decisions. Therefore, it would be inappropriate for such a person to comment on any policy determinations in the manner in which Mr. Flanagan desires. I have also informed Mr. Hansen of ODMS of this decision.

Walter L. Pforzheimer

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